

**Department of Housing and Community Development**  
**Notice of Funding Availability**  
**Summer 2009**  
**Affordable Housing Competition for Rental Projects**

The Department of Housing and Community Development (DHCD) is pleased to announce the start of the summer 2009 affordable housing competition for rental projects. The deadline for submitting applications to the summer 2009 competition is the close of business on Thursday, June 25, 2009. Either before or on that date, DHCD will accept One-Stop Affordable Housing Applications from sponsors seeking the following rental resources:

- Federal Low Income Housing Tax Credits (LIHTC)
- Massachusetts State Low Income Housing Tax Credits
- HOME Investment Partnerships Program (HOME) monies in combination with Low Income Housing Tax Credits or as a funding source without tax credits
- Housing Stabilization Fund (HSF) monies in combination with Low Income Housing Tax Credits or as a funding source without tax credits
- Capital Improvement & Preservation Fund (CIPF) monies in combination with Low Income Housing Tax Credits or as a funding source without tax credits
- Housing Innovations Fund (HIF) monies as a funding source without Low Income Housing Tax Credits except if the sponsor intends to provide homeless units in conjunction with appropriate supportive services
- Facilities Consolidation Fund (FCF) monies in combination with Low Income Housing Tax Credits or as a funding source without tax credits. Although these monies are available on a rolling basis, developers also may submit applications for FCF during this funding round.
- Community-Based Housing (CBH) monies in combination with Low Income Housing Tax Credits or as a funding source without tax credits. Although CBH funds are available on a rolling basis, developers may submit applications during this funding round. The proposed regulations and guidelines for this program are available on DHCD's website at:  
<http://www.mass.gov/Ehed/docs/dhcd/hd/cbh/cbhguidelines.doc> .
- Commercial Area Transit Node Housing Program (CATNHP) monies in combination with Low Income Housing Tax Credits or as a funding source without tax credits.

The Department reserves the right to restrict the overall amount of funding committed during the summer 2009 competition, based on the availability of federal and state resources.

During this rental funding competition, DHCD also will make available up to \$6 million to sponsors of preservation projects seeking to make energy efficient upgrades as part of their rehabilitation scope. The funding for this initiative will come through U.S. Department of Energy (DOE) Weatherization Assistance Program (WAP) funds provided under the American Recovery and Reinvestment Act (ARRA). Sponsors seeking to apply for these funds must submit as part of the One-Stop application a detailed narrative describing the nature of the work to be performed, how the work will reduce energy costs, and a detailed line item budget for the work with cost estimates prepared by a contractor. The work proposed must conform with the statutory requirements for work performed under ARRA. Priority will be given to those projects where the tenants pay the heating bill. Projects will be required to meet DOE eligibility requirements, energy audit standards, contractor requirements and quality control inspection standards. DHCD staff and/or the DOE WAP Network will provide the required oversight of

this initiative. As per DOE requirements, all Final Quality Control Inspections will be completed by DHCD WAP staff or DOE WAP Certified Energy Auditors. All projects will be identified and selected in a collaborative process between DHCD and the DOE WAP subgrantee network.

In addition, some sponsors of rental projects located outside the City of Boston may apply for an allocation of Section 8 project-based voucher assistance from DHCD, in accordance with 24 CFR Part 983, the final rule for project-based vouchers issued by HUD on October 13, 2005, and DHCD's PBV administrative plan requirements:

[http://www.mass.gov/?pageID=eheadterminal&L=3&L0=Home&L1=Housing+Development&L2=Rental+Assistance+Management&sid=Ehead&b=terminalcontent&f=dhcd\\_ph\\_pbvplans&c=sid=Ehead](http://www.mass.gov/?pageID=eheadterminal&L=3&L0=Home&L1=Housing+Development&L2=Rental+Assistance+Management&sid=Ehead&b=terminalcontent&f=dhcd_ph_pbvplans&c=sid=Ehead)

Developers who intend to apply for tax credits during this competition must simultaneously identify and apply for any other DHCD resource included in the financing package. DHCD will not accept applications for additional resources at a later date from sponsors applying for tax credits during this competition. **Interested sponsors should refer to the program restrictions and additional application requirements summarized on pages 2-5 of this NOFA.**

Developers seeking HOME, HSF, CIPF, FCF, CBH, or CATNHP funds may apply for these funds in combination with tax credits or as a funding source without tax credits. Developers seeking HIF may not apply for tax credits during this competition unless they intend to provide homeless units in conjunction with significant supportive services. The availability of state resources such as HSF, CIPF, HIF, FCF, CBH, or CATNHP funds, provided from the proceeds of the Commonwealth's general obligation bonds, is at all times subject to decisions on the bond accounts made from time to time by the Secretary of Administration and Finance. Developers seeking HOME or HSF for projects located in HOME entitlement/consortium communities should note that a local contribution of funds is required. Further information is available from the Division of Housing Development at (617) 573-1300.

DHCD has established \$100,000 as the subsidy limit per affordable unit for the summer 2009 rental round. It is the Department's expectation that sponsors will limit their request for DHCD funding subsidy to \$100,000 per affordable unit. Nonprofit sponsors of projects that primarily or exclusively serve special needs tenants should contact DHCD staff directly to discuss the subsidy limit for their projects.

## **I. Application Deadline**

The deadline for submission of applications to the summer 2009 affordable housing competition for rental projects will be Thursday, June 25, 2009, by the close of business. All applications must be received at:

Department of Housing and Community Development  
Division of Housing Development  
100 Cambridge Street, Suite 300  
Boston, MA 02114

**All applications must be submitted using either versions 1.17, 1.18 or 1.19 of the One-Stop Affordable Housing Application.** Version 1.19 is the most current version of the One-Stop and can be accessed at: <http://www.mhic.com>. Please note: sponsors must provide DHCD with an unaltered version of either 1.17, 1.18 or 1.19 of the One-Stop (i.e. no extra tabs, no notes, no changes in cell, row, or column configuration). Instructions on the number of applications to be submitted and on the fees due are

listed on pages 7 and 8 of this NOFA. **Applications submitted after the deadline will not be accepted by DHCD.**

## **II. Eligible Applicants**

Each of the funding resources available during the summer 2009 competition has guidelines and/or regulations describing eligible applicants. In general, eligible applicants are as follows:

- LIHTC (federal and state): for-profit or non-profit developers
- HOME: for profit or non-profit developers, or municipalities in partnership with for-profit or non-profit developers
- HSF: for profit or non-profit developers, or municipalities in partnership with for-profit or non-profit developers
- CIPF: for-profit or non-profit developers
- HIF: non-profit developers
- FCF: non-profit developers
- CBH: non-profit developers
- CATNHP: for-profit or non-profit developers, or municipalities in partnership with for-profit or non-profit developers

For additional information on eligible applicants for each resource, please contact the Division of Housing Development staff at (617) 573-1300.

## **III. Specific Program Guidelines for the Summer 2009 Competition**

Certain guidelines and/or regulations exist for each funding resource available during DHCD's summer 2009 competition. Sponsors should review copies of the current program-specific guidelines and/or regulations before preparing their funding applications. Sponsors who intend to prepare applications for tax credits in combination with other DHCD resources should take note of the following specific program standards:

- *Federal Low Income Housing Tax Credits:* Please refer to the 2009 Tax Credit Qualified Allocation Plan (QAP). The QAP is located on DHCD's website at <http://www.mass.gov/Ehed/docs/dhcd/hd/lihtc/09qapfinal.pdf>
- *Massachusetts State Low Income Housing Tax Credits:* Please refer to the 2009 QAP. In addition, please note that the amount of state credit available to a single project and/or a single development entity may be limited by DHCD.
- *HOME Investment Partnerships Program:* In general, \$750,000 to \$1,000,000 is the maximum amount available per project; \$50,000 is the maximum amount available per affordable unit in HOME entitlement/consortium communities. In non-entitlement or non-consortium communities, the maximum amount available per affordable unit is \$65,000. Applications for projects located in municipalities that receive HOME funds directly from HUD must include matching funds (i.e. HOME, CDBG) as a funding source for the project. Each application must be signed by the chief elected official of the community in which the project is located.

- *Housing Stabilization Fund monies:* In general, \$750,000 to \$1,000,000 is the maximum amount available per project; \$50,000 is the maximum amount available per affordable unit in HOME entitlement/consortium communities. In non-entitlement or non-consortium communities, the maximum amount available per affordable unit is \$65,000. Each application must be signed by the chief elected official of the community in which the project is located. Applications for projects located in municipalities that receive HOME funds directly from HUD must include matching funds as a funding source for the project.
- *Capital Improvement and Preservation Fund:* CIPF is intended to help preserve and improve projects where the prepayment of a state or federally-assisted mortgage would lead or has led to the termination of a use agreement for low income housing. CIPF funds are subject to the bond expenditure cap established for DHCD by the Executive Office of Administration and Finance. The maximum amount of CIPF available per project is \$40,000 per unit for projects with more than 25 units with a typical per project maximum of \$2,000,000. The maximum amount of CIPF available per project is \$50,000 per unit for projects with 25 units or less with a typical per project maximum of \$1,250,000. Sponsors also must obtain a commitment of funds from the community in which the project is located. Interested parties should contact the Division of Housing Development staff to obtain more information.
- *Housing Innovations Fund:* \$500,000 is the maximum amount of HIF typically available to a project. \$750,000 to \$1,000,000 is the maximum amount of HIF typically eligible to a project that primarily or exclusively serves homeless individuals or families. Sponsors should also note that HIF, by statute, can support no more than 50% of the total development cost per HIF unit.
- *Facilities Consolidation Fund:* In accordance with statute, requests for FCF may not exceed 50% of the total development cost of the project (or of eligible units in a larger project). Please note that FCF funds are only available to projects or units within larger projects available for the exclusive use of the Departments of Mental Health or Mental Retardation. **Sponsors must include in the One-Stop application a certification from the central office of DMR or DMH that the project is part of the Facilities Consolidation Plan.**
- *Community Based Housing:* A request for CBH funding for a project may not exceed the lesser of: 1) \$750,000; or 2) 50% of total development costs. **Sponsors of projects seeking CBH funds should include a letter of support for the project and for the population to be served from the Massachusetts Rehabilitation Commission.**
- *Commercial Area Transit Node Housing Program:* \$50,000 per affordable unit is the CATNHP maximum. \$750,000 to \$1,000,000 typically is the per project maximum for CATNHP. Each sponsor may submit only one request for CATNHP funding, and no more than one application will be accepted from one community in a funding round. Projects must be located in proximity to transit, defined as “within .25 (1/4) miles of an existing Transit Station or Planned Transit Station”. The maximum project size is 24 units.
- *Section 8 Project-Based Voucher (PBV) Assistance:* A maximum of 100 Section 8 PBV vouchers will be made available as part of this funding round for projects located outside of the City of Boston. DHCD expects these PBV vouchers to be available in early 2011. All PBV reservations are subject to available funding from HUD and DHCD. PBV contract authority can be requested for up to 15 years, with the option to renew. PBV funds will be

used to pay the owner a portion of the monthly rent on behalf of eligible households whose incomes must generally be at or below 30% of the area median income (AMI), and in no case can exceed 50% of AMI. No demolition or construction can begin until an Agreement to enter into a Housing Assistance Payments (AHAP) contract is signed; therefore, projects that are already in construction cannot receive PBV assistance. Prior to AHAP: 1) a subsidy layering review for projects with any form of federal, state or local housing assistance, including tax credits and tax concessions, must be approved by HUD or a HUD designated agency; and 2) an environmental review performed in accordance with 24 CFR 58 must also be completed and approved by HUD.

Unit and Project Size Requirement:

1. **Family units of 2 or more bedrooms;**
2. **Units funded with Community Based Housing (CBH) or Facilities Consolidation Funds (FCF). Up to 12 of these units will be excluded from the City of Boston restriction;**
3. **A limit of the lesser of 8 PBVs per project, or 25% of the total project units as PBVs.**
4. **All PBV units must have a private bath.**
5. **PBV units cannot be used in group residences or shared housing arrangements.**

At the discretion of DHCD, up to 20 of the 100 PBVs may be awarded to units not meeting these criteria. DHCD reserves the right to limit the number of vouchers awarded to each project.

Owners will be responsible for maintaining a PBV waiting list and selecting tenants in accordance with a DHCD approved tenant selection plan.

Sponsors must agree to comply with all Section 8 PBV regulations found at 24 CFR Part 983, published October 30, 2005 and all DHCD PBV Administrative Plan requirements, as they may be amended from time to time, which can be found on DHCD's web page at: [http://www.mass.gov/?pageID=ehedterminal&L=3&L0=Home&L1=Housing+Development&L2=Rental+Assistance+Management&sid=Ehed&b=terminalcontent&f=dhcd\\_ph\\_pbvplans&sid=Ehed](http://www.mass.gov/?pageID=ehedterminal&L=3&L0=Home&L1=Housing+Development&L2=Rental+Assistance+Management&sid=Ehed&b=terminalcontent&f=dhcd_ph_pbvplans&sid=Ehed)

Interested sponsors should immediately contact both the Division of Housing Development at (617) 573-1300 and the Bureau of Rental Assistance at (617) 573-1217 for further information about the Section 8 project-based option and how to structure the development and operating pro formas which must be submitted as part of the One-Stop application due on Thursday, June 25, 2009.

#### **IV. Competitive Evaluation Criteria:**

All applications will be evaluated according to criteria that apply to DHCD programs for which funding is sought. The Commonwealth's commitment to the principles of sustainable development is reflected in the Division's programs and policies. **Sponsors should note that consistency with the Commonwealth Sustainable Development Principles is a threshold requirement for all projects.** The specific criteria for tax credits applications are set forth in the 2009 Tax Credits Qualified Allocation Plan. For copies of the Qualified Allocation Plan, please contact DHCD's Division of Housing Development or visit the

DHCD website: <http://www.mass.gov/Ehed/docs/dhcd/hd/lihtc/09qapfinal.pdf>. In general, the evaluation criteria for all applications include but are not limited to the following:

- strength of overall concept
- strength of development team
- total request for state subsidy (exclusive of tax credits) should not exceed \$100,000/unit
- evidence of market feasibility
- evidence of satisfactory progress on projects previously funded with DHCD resources
- demonstrated need for project in the target neighborhood
- appropriate design for the project that promotes green building standards and increased accessibility
- appropriate scope for construction of the project
- appropriate total development costs for properties included in proposal
- financial viability of the project
- degree of local support, including local funding commitments
- evidence of readiness to proceed
- the degree to which the project maximizes sustainable development principles

It is important to note that sponsors of applications to the summer 2009 rental competition must be in good standing with DHCD with respect to any and all other affordable housing projects, supported by DHCD resources, with which they are involved. DHCD may elect not to review applications from sponsors who are not in good standing with the agency with respect to other projects.

See pages 7 and 8 of this NOFA for application requirements. Please contact DHCD's Division of Housing Development at (617) 573-1300 with any questions related to the summer 2009 affordable housing competition for rental projects.

## **V. Performance Measurement and Fair Housing Data Collection:**

Applicants seeking DHCD funds should note that, if they receive funding, they must comply with HUD approved performance measurement standards and data collection requirements, and Commonwealth of Massachusetts fair housing data collection requirements. Please refer to Attachment A for Massachusetts' Fair Housing Mission Statement and Principles.

**Application Requirements  
Summer 2009  
Affordable Housing Competition for Rental Projects**

**I. Application Requirements**

All applications must be submitted on the One-Stop Affordable Housing disk and forms. All applications must be submitted (in three-ringed binders and tabbed by section) to DHCD, Division of Housing Development, 100 Cambridge Street, Suite 300, Boston, MA 02114, no later than the close of business on Thursday, June 25, 2009. The application requirements by funding resources are as follows:

Applications with Tax Credits

- Tax Credits only: 2 disks, 4 hard copies, and 2 sets of plans.
- HOME, HSF or CIPF in combination with Tax Credits: 2 disks, 6 hard copies, and 2 sets of plans.
- HOME, HSF or CIPF and FCF in combination with Tax Credits: 2 disks, 7 hard copies, and 2 sets of plans.
- FCF in combination with Tax Credits: 2 disks, 6 hard copies, and 2 sets of plans.
- CBH in combination with any of the above: 1 additional disk and 1 hard copy.
- CATNHP in combination with any of the above: 1 additional disk and 1 hard copy.
- Affordable Housing Trust with any of the above: 1 additional disk and 1 hard copy.

Applications without Tax Credits

- HOME only: 1 disk, 4 hard copies, and 1 set of plans.
- HOME with HIF, CIPF or FCF: 2 disks, 6 hard copies, and 2 sets of plans.
- HSF only: 1 disk, 4 hard copies, and 1 set of plans.
- HSF with HIF, FCF: 2 disks, 6 hard copies, and 2 sets of plans.
- CIPF only: 1 disk, 4 hard copies, and 1 set of plans.
- CIPF with HIF, FCF: 2 disks, 6 hard copies, and 2 sets of plans.
- HIF only: 2 disks, 3 hard copies, and 1 set of plans.



- FCF only: 2 disks, 3 hard copies, and 1 set of plans.
- CBH only: 3 disks, 4 hard copies, and 1 set of plans.
- CATNHP in combination with any 1 additional disk and 1 hard copy.
- Affordable Housing Trust with any of the above 1 additional disk and 1 hard copy.

Please make an effort to print application copies double-sided.

## II. Application Fees

Application fees are due with One-Stop submissions for several of the funding resources currently available. The fee schedules for the funding resources are as follows:

### **Low Income Housing Tax Credits only:**

All tax credit applicants must pay a portion of the tax credit fee at the time the application is submitted to DHCD. This fee is non-refundable. Application fee checks for tax credits projects should be made payment to the **Department of Housing and Community Development**. The fees due with the application submission are as follows:

projects sponsored by non-profits:	\$1,050
projects containing 20 units or fewer	\$1,050
all other projects	\$5,250

### **Low Income Housing Tax Credits in combination with other DHCD resources:**

The only application fees due are the tax credit application fees listed above. No additional fees are due.

### **HOME, HSF, CATNHP, or CIPF funds as a source exclusive of tax credits:**

Applicants seeking HOME, HSF, CATNHP or CIPF funds, but not tax credits, must pay an application fee at the time of submission. The fee is non-refundable. Checks should be made payable to the

### **Massachusetts Housing Partnership Fund.** The fees are as follows:

projects sponsored by non-profits	\$ 400
projects sponsored by for-profits	\$1,000

### **HIF as a source exclusive of tax credits:**

No application fee is required.

### **FCF as a source exclusive of tax credits:**

No application fee is required.

### **CBH as a source exclusive of tax credits:**

No application fee is required.



## Massachusetts Fair Housing Mission Statement and Principles

The mission of DHCD through its programs and partnerships is to be a leader in creating housing choice and providing opportunities for inclusive patterns of housing occupancy to all residents of the Commonwealth, regardless of income, race, religious creed, color, national origin, sex, sexual orientation, age, ancestry, familial status, veteran status, or physical or mental impairment.

It shall be our objective to ensure that new and ongoing programs and policies affirmatively advance fair housing, promote equity, and maximize choice. In order to achieve our objective, we shall be guided by the following principles:

1. **Encourage Equity.** Support public and private housing and community investment proposals that promote equality and opportunity for all residents of the Commonwealth. Increase diversity and bridge differences among residents regardless of race, disability, social, economic, educational, or cultural background, and provide integrated social, educational, and recreational experiences.
2. **Be Affirmative.** Direct resources to promote the goals of fair housing. Educate all housing partners of their responsibilities under the law and how to meet this important state and federal mandate.
3. **Promote Housing Choice.** Create quality affordable housing opportunities that are geographically and architecturally accessible to all residents of the commonwealth. Establish policies and mechanisms to ensure fair housing practices in all aspects of marketing.
4. **Enhance Mobility.** Enable all residents to make informed choices about the range of communities in which to live. Target high-poverty areas and provide information and assistance to residents with respect to availability of affordable homeownership and rental opportunities throughout Massachusetts and how to access them.
5. **Promote Greater Opportunity.** Utilize resources to stimulate private investment that will create diverse communities that are positive, desirable destinations. Foster neighborhoods that will improve the quality of life for existing residents. Make each community a place where any resident could choose to live, regardless of income.
6. **Reduce Concentrations of Poverty.** Ensure an equitable geographic distribution of housing and community development resources. Coordinate allocation of housing resources with employment opportunities, as well as availability of public transportation and services.
7. **Preserve and Produce Affordable Housing Choices.** Encourage and support rehabilitation of existing affordable housing while ensuring that investment in new housing promotes diversity, and economic, educational, and social opportunity. Make housing preservation and production investments that will create a path to social and economic mobility.
8. **Balance Housing Needs.** Coordinate the allocation of resources to address local and regional housing need, as identified by state and community stakeholders. Ensure that affordable housing preservation and production initiatives and investment of other housing resources promote diversity and social equity and improve neighborhoods while limiting displacement of current residents.

9. **Measure Outcomes.** Collect and analyze data on households throughout the housing delivery system, including the number of applicants and households served. Utilize data to assess the fair housing impact of housing policies and their effect over time, and to guide future housing development policies.
10. **Rigorously Enforce All Fair Housing and Anti-Discrimination Laws and Policies.** Direct resources only to projects that adhere to the spirit, intent, and letter of applicable fair housing laws, civil rights laws, disability laws, and architectural accessibility laws. Ensure that policies allow resources to be invested only in projects that are wholly compliant with such laws.